



Los Angeles County
Board of Supervisors

July 15, 2008

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D. 
Interim Director

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION
ACT (MMA) SECTION 1011 PROGRAM**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

On January 19, 2006, the Department submitted its first status report on our progress to enroll and participate in the MMA Section 1011 program which provides partial federal reimbursement for emergency services provided to undocumented immigrants. This is the twelfth in a series of periodic reports to inform your Board of our participation in this program.

On May 27, 2008, the Department received approximately \$1.6 million in reimbursement for Section 1011 program services provided during the Fourth Quarter Federal Fiscal Year (FFY) 2007. Total Section 1011 program reimbursement to date (for the nine participating quarters) exceeds \$18.9 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

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through leadership,
service and education.*

As discussed in prior reports, the Department has investigated the decline in total reimbursement reported for the Fourth Quarter FFY 2006 through the current paid quarter and found that the CMS fiscal intermediary, TrailBlazer Health Enterprises, LLC (TrailBlazer), had begun applying EMTALA guidelines more narrowly for determining covered days for Section 1011 reimbursement. This resulted in a finding by TrailBlazer that, in many cases, only one paid-day was required to achieve stabilization of the original emergency medical condition. Subsequently, on July 7, 2008, we received a notice from TrailBlazer that they have launched nearly a 100% audit of the claims the Department just submitted for the First Quarter FFY 2008. The Department is working with outside legal counsel to evaluate the impact of these actions and determine appropriate action. The results will be noted in a future report.

The Department has continued its work with County Counsel and outside legal counsel to determine the impact of Medi-Cal Redesign on receipt of Section 1011 reimbursement. Outside Counsel has advised that the Department can continue participation and claiming under the Section 1011 program. We understand that State representatives are currently considering the County's position and we will advise the Board as soon as the State issues a clearer policy statement on this matter.



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The Department will continue to provide periodic reports to the Board on its participation in the Section 1011 program.

Please let me know if you have questions or require additional information.

JFS:lg (1FORD\WMA SEC 1011\BOARD STATUS REPORTS\FINAL REPORTS\STATUS REPORT NO. 12 (07-15-08))
610:001

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY
Fourth Quarter FFY 2005 – Fourth Quarter FFY 2007
(Dates of Service July 1, 2005 through September 30, 2007)

Federal Fiscal Year (Quarter)	Dates of Service	Total Claims Submitted	Total Gross Charges (Billed)	Total Billed Days	Average Reimbursement/Claim	Payment Date	Total Reimbursement¹
Fourth Quarter FFY 2005	July 1, 2005 to September 30, 2005	903	\$12,412,965	1,683	\$2,619	May 29, 2006	\$2,364,836 ²
First Quarter FFY 2006	October 1, 2005 to December 30, 2005	1,417	\$15,225,675	2,194	\$1,705	August 28, 2006	\$2,416,185 ²
Second Quarter FFY 2006	January 1, 2006 to March 31, 2006	1,048	\$11,930,683	1,714	\$2,974	November 27, 2006	\$3,117,348 ²
Third Quarter FFY 2006	April 1, 2006 to June 30, 2006	921	\$13,366,513	1,826	\$3,466	February 26, 2007	\$3,191,822 ²
Fourth Quarter FFY 2006	July 1, 2006 to September 30, 2006	838	\$ 9,747,851	1,449	\$2,499	May 28, 2007	\$2,094,219 ²
First Quarter FFY 2007	October 1, 2006 to December 31, 2006	467	\$ 5,851,230	818	\$2,765	August 28, 2007	\$1,291,042 ²
Second Quarter FFY 2007	January 1, 2007 to March 31, 2007	440	\$ 6,169,519	830	\$2,752	November 26, 2007	\$1,210,679 ²
Third Quarter FFY 2007	April 1, 2007 to June 30, 2007	679	\$8,693,288	1,223	\$2,383	February 25, 2008	\$1,618,228 ²
Fourth Quarter FFY 2007	July 1, 2007 to September 30, 2007	605	\$7,602,583	1,094	\$2,650	May 27, 2008	\$1,603,430 ²
Total-to-Date		7,318	\$91,000,307	12,831	\$2,646		\$18,907,789³

1. Reimbursement (includes both hospital and psychiatric ER services) is based on a combined Medicare Cost Report-TrailBlazer methodology which has provided an average reimbursement rate to date of 21.88%
2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process
3. If it is determined that provisions of the proposed State Medi-Cal Redesign (or other reform proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received